



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: July 13, 2012

TO: PACE Organizations

FROM: Danielle R. Moon, J.D., M.P.A.
Director

SUBJECT: Alternative Care Settings in the PACE Program

The purpose of this memorandum is to update the *PACE Manual* with specific information for PACE organizations (POs) regarding alternative care settings (ACS). This guidance will be incorporated into the next version of the *PACE Manual*.

CMS regulations at 42 CFR § 460.98(b)(2) require POs to provide PACE services in at least the PACE center, the home and inpatient facilities. Thus, POs have the ability to offer care in other ACS. An ACS is any physical location in the PACE organization's CMS approved existing service area other than the participant's home, an inpatient facility, or PACE center, where a PACE participant receives PACE center services on a fixed basis during usual and customary PACE center hours of operation, that supplement and do not replace services provided at the PACE center (enumerated at 42 CFR § 460.98(c)). An ACS location must be in compliance with applicable local and State laws. Use of this location should be based on the participant's individualized plan of care (POC) and approved by an Interdisciplinary team (IDT).

POs offering care in an ACS must have policies and procedures in place that address the following:

- Participants that attend an ACS must be assigned to a PACE center and an IDT at a PACE Center. This assignment must be documented in the POC;
- Time and distance requirements, in accordance with applicable State law, apply to travel from an ACS to the PACE center, as well as travel from an ACS to the furthest geographic points in the service area;
- If there are non-PACE participants at the ACS, the PO must have a process for identifying PACE participants and ensure the staff is trained and oriented to the PACE model of care;
- If the services provided at the ACS are provided under contract, all PACE contractor oversight requirements must be met;
- Communication between the ACS and the PACE center to ensure that information is conveyed to the IDT, on a daily basis for: (1) care planning, (2) morning meetings, and (3) documentation into the medical record for PACE participants receiving services at the ACS;
- Posting PACE participant's rights at the ACS;

- Compliance with applicable State health care facility regulations;
- Compliance with any additional state requirements regarding PACE participants attending an ACS; and
- Including ACS services in the PACE organization's written quality assessment and performance improvement plan (QAPI).

Notification to the State Administering Agency (SAA) and CMS*

Prior to opening or contracting with a provider to use an ACS, POs must first notify CMS, both the Central Office (CO) team lead and Regional Office (RO) account manager, and the State Administering Agency (SAA), in writing (by US mail or email) of any arrangements being proposed whereby participants are transported from their place of residence to an ACS. The PO must submit the following information to the SAA and CMS:

- Address and a description of the physical space of the ACS;
- CMS RO number in which the ACS is located;
- PO HPMS Contract Number (H-#);
- PO Name;
- Number of participants to receive PACE services at the ACS;
- Documentation that indicates the proposed building meets all applicable safety codes or regulations;
- Map to show the location within the CMS approved service area;
- Services that will be offered and how the services will be provided;
- Staffing arrangements at the ACS;
- Transportation arrangements to the new location;
- How IDT members will be involved;
- Policies and procedures for PO oversight of the ACS including communication and documentation requirements;
- Infection control plan (include Exposure Control Plan);
- Emergency evacuation plan;
- If non-PACE participants will be at the location, the projected ratio of PACE to non-PACE;
- If licensed, include copies of all licenses; and
- If the arrangement includes a contract organization not affiliated with the PACE organization, please provide a copy of the contract.

CMS or the SAA may also request the following:

- A description of the business relationship between the ACS and the PO;
- A description of the interaction of the IDT members who oversee the care of participants attending the ACS;

* Existing ACS are exempted from this revised notification process. POs that have not already notified CMS and the SAA about an ACS must use the notification process described below. Also ACS notifications, as part of a new PACE application, will be considered on a case-by-case basis.

- PACE organization oversight of the ACS;
- A description of how the building/space fire and safety codes meet the NFPA 2000 guidelines;
- The proposed marketing strategy and material to be used to inform existing and new enrollees of the ACS; and
- If the PO is working under a Corrective Action Plan (CAP), a written summary of the CAP status, including areas of improvement related to the CAP.

The CMS CO team lead will schedule a conference call with the PO, the SAA and RO to discuss details of the proposed arrangement and may request additional written information from the PACE organization, if necessary, to ensure participants rights are upheld. CMS CO and RO staff and the SAA will review all information submitted and take one of the following two actions:

- 1) If the ACS does not meet the definition of a PACE center, CMS CO team lead will issue an acknowledgement letter to the PO, RO account manager, the SAA and the CO waiver lead closing out the notification process. The CO waiver lead will track ACS notifications in the ACS Tracker; or
- 2) If, the CMS CO, RO, and SAA determine that the new setting has met the regulatory definition of a PACE center, the PO will be required to submit a Service Area Expansion (SAE) application.

CMS will confirm through ongoing monitoring reviews that the arrangements described in the notification are consistent with the PACE organization's proposed arrangement. CMS will incorporate ACS requirements in the 2012 PACE Audit Methodology.

If you have any questions concerning this guidance, please contact John Hebb at (410)786-6657 or via email at John.Hebb@cms.hhs.gov.